

CITY OF BELMONT

TREASURER'S REPORT

March-03



Agency Receipts and Disbursements Summary

| | Beginning Balance March 01, 2003 | Receipts | Disbursements | Ending Balance March 31, 2003 |
|----------------------------------|-------------------------------------|------------------------|--------------------------|----------------------------------|
| City of Belmont | \$ 19,517,343.18 | 1,430,342.79 | (2,565,226.55) | \$ 18,382,459.42 |
| Belmont Fire Protection District | (302,173.91) | 14,207.13 | (352,725.06) | (640,691.84) |
| Belmont Redevelopment Agency | 12,970,320.45 | 273,819.00 | (296,782.62) | 12,947,356.83 |
| Total | \$ 32,185,489.72 | \$ 1,718,368.92 | \$ (3,214,734.23) | \$ 30,689,124.41 |

Balance Summary

| | Deposit | Investments | Pool Total |
|-------|-----------------|------------------|------------------|
| Total | \$ 3,926,499.40 | \$ 26,762,625.01 | \$ 30,689,124.41 |

The following abstract is from the City Council meeting minutes of September 25, 2001, "City Manager Kersnar stated he reviewed a report from the structural engineer...no modifications need to be made to 1070 Sixth Avenue, if it was used as an office building. He continued that the misconception was that 1070 Sixth Avenue was vulnerable in the case of an earthquake. The Essential Services Building Code was designed to ensure that a building is not only still standing, but is undamaged and is still useable after a significant seismic event. The analysis that City Manager Kersnar reviewed suggested that there might be damage to 1070 Sixth Avenue, even to the point where it was unusable for an amount of time. That renders it unusable for an essential services building, but it does not create jeopardy for the residents of the building. What the code says is that the building is not going to collapse, but it is going to be damaged in all likelihood in the event of a major seismic event. People will be able to walk out of the building..."

On May 14, 2002, the City Council proceeded with an option to remodel and seismically retrofit the existing building at 1070 Sixth Avenue to accommodate a Police Facility, i.e. "City Hall Project". On September 10, 2002, the City Treasurer and certain members of Finance Commission asked the City Council to refer the proposed City Hall Project to the Finance Commission, as a whole, for consideration and review. The City Council declined this request and authorized the expenditure of \$499,000 for additional architectural services to supplement in excess of \$750,000 in pre-construction costs previously spent as of that date. The actual construction costs for the City Hall Project are estimated to be several million dollars. Accordingly, the City Hall Project will use significant financial resources and reduce the City and/or Redevelopment Agency's ability to fund alternative projects.

At a regularly scheduled public meeting on October 10, 2002, the Finance Director reported that the City Council needed to provide direction to city staff on addressing a \$1.3 million, or approximately 10%, long term budget gap in the General Fund. During the public comment section of that report, certain members of the Finance Commission raised concern about the economy and City's long term fiscal health and the City Treasurer, again, asked the City Council to refer the multi-million dollar "City Hall Project" to the Finance Commission for review and a recommendation.

At a regular scheduled public meeting on December 10, 2002, the City Council approved a conceptual approach for the structural upgrade of the existing City Hall, 49,610 square feet, at a cost in excess of \$5,000,000 to accommodate a police facility and other governmental services. The decision to upgrade the entire building exceeds the generally acknowledged requirement for a stand alone essential services building by a factor as much as 10 times. The City Treasurer is on record requesting that this project be referred to the Finance Commission for review and recommendation.

At a neighborhood outreach meeting on March 11, 2003, the Assistant City Manager advised the public that the proposed modifications to the City Hall Project would mean a reduction in automobile parking from the current 193 spaces to 137 spaces, a loss of 56 spaces, and the current estimated construction cost stands at \$6,800,000, exclusive of planning/architectural services already provided and other non-construction cost estimated at \$2 millions. The City Treasurer and others have suggested spending less on the City Hall Project and reallocating funds to supplement bond proceeds to pay for construction of a new library.

With the noted exception of the above, the current balances for the City of Belmont, the Belmont Fire Protection District and the Redevelopment Agency, along with the expected revenue generation, should meet the agencies' anticipated normal and recurring expenditure requirements for the next six months. This report is in compliance with the Investment Policy.

Respectfully Submitted,

Howard E. Mason, Jr.
City Treasurer